

Summary

- Stock markets slipped into the red on both sides of the Atlantic.
- The USA is to raise import tariffs from 10% to 25% on USD 200 bn Chinese goods.
- Germany released cheering exports data.

In Thursday's pessimistic trading in America, the Dow and the Nasdaq100 sank 0.5% each, and the S&P500 dropped 0.3%. The further escalation of the trade war tension between the USA and China was one important reason for the lack of risk appetite. Last Friday President Trump expressed his disapproval of the slowness of trade talks, then on Wednesday he accused the Chinese party of moving negotiations substantially backwards and retreating from previous commitments. Therefore the White House threatened China to raise import tariffs on USD 200 bn Chinese goods from 10% to 25% on Friday. Later in the week, investment sentiment eased on Thursday, when Donald Trump said he had received a 'beautiful' letter from Chinese President Xi Jinping, just hours before the next round of trade talks was to begin. But this morning the USA increased tariffs to 25% on USD 200 bn Chinese goods, as parties failed to reach an agreement.

Europe's stock indices fell sharply. London's FTSE100 slipped 0.9%, Germany's DAX slumped 1.7%, France's CAC40 lost 1.9%, and the Stoxx600 closed 1.7% lower. Banking shares were hit particularly hard: HSBC tumbled 1.6%, and Swedbank nose-dived 2.7%. Unicredit Group's quarterly report, released yesterday, gave account of EUR 1.39 bn pre-tax profit, beating market expectations. Yet the bank's share price contracted by 2.7%, probably because of the shrinking revenue.

The dollar's depreciation sent the EUR/USD 0.3% higher. The GBP weakened 0.2% against the single European currency.

Surprising on the upside, Germany's exports grew by 1.5% month/month in March, whereas analysts had projected 0.3% contraction.

Today the UK will publish the preliminary GDP growth data for Q1, and the USA will release inflation data. The developments on the USA-China trade war are worth keeping an eye on, as well as the news on the USA's foreign policy concerning Iran.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2870,7	-0,3	14,5	VIX	19,1	-1,5	-25	WTI	61,7	-0,7	35,9
	DOW	25828,4	-0,5	10,7	US 2Y	2,27	-2,7	-23	Brent	70,39	0,0	30,8
	Nasdaq100	7582,8	-0,5	19,8	US 10Y	2,46	-2,5	-23	Gold	1283,7	0,3	0,1
	DAX	11973,9	-1,7	13,4	GER 2Y	-0,63	-1,0	-4	Silver	14,76	-0,5	-4,7
	CAC40	5313,2	-1,9	12,3	GER 10Y	-0,05	-0,7	-30	EUR/USD	1,1220	0,3	-2,2
	FTSE 100	7207,4	-0,9	7,1	PT10Y	1,13	0,7	-59	EUR/GBP	0,8617	0,2	-4,1
	FTSE MIB	20817,2	-1,8	13,6	IT 10Y	2,67	6,2	-10	EUR/NOK	9,8505	0,4	-0,6
	Stoxx600	375,9	-1,7	11,3	SP 10	1,00	3,9	-43	USD/CAD	1,3477	0,0	-1,2
	- Banks	117,4	-2,0	3,9	iTRAXX	67,5	8,0	-23	AUD/USD	0,6988	0,0	-0,9
	Nikkei 225	21319,9	-0,4	6,5	JPY 2Y	-0,16	-0,4	-2	USD/JPY	109,75	-0,3	0,2
	SSEC	2912,9	2,2	16,8	JPY 10Y	-0,05	0,1	-5	GBP/USD	1,3013	0,1	2,0
Regional	RTS	1233,1	0,0	15,7	RUS10	8,1	0,0	-7	USD/RUB	65,220	0,4	-6,4
	WIG20	2179,4	-1,9	-4,3	POL 10	2,9	-0,6	3	EUR/PLN	4,30	0,2	0,2
	PX50	1051,4	-1,1	6,6	CZ10	1,9	1,0	-3	EUR/RON	4,758	0,1	2,3
Hungary	BUX	41207	-0,3	5,3	3M DKJ	0,08	0,0	1	EUR/HUF	324,05	0,0	1,0
	OTP	12450	-0,2	10,3	1Y	0,31	1,0	-14	USD/HUF	288,87	-0,2	3,3
	MOL	3056	-1,2	-0,7	3Y	1,52	-3,8	26	CHF/HUF	284,96	0,4	-0,2
	MTelekom	454	-1,3	3,2	5Y	2,33	-2,0	-20	PLN/HUF	75,36	-0,1	1,0
	Richter	5815	1,0	7,1	10Y	3,38	-1,0	34	GBP/HUF	375,82	-0,1	5,5

* In the case of bond yields, the change is in basis points instead of percentage (VIX and iTRAXX not included).

Sources: Reuters, OTP Research

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2019 5. 6.	9 : 00	HU Retail sales (first estimate, yoy, %)	Mar	5,9	-	8,4
	10 : 30	EZ Sentix Investor confidence (points)	May	5,3	1,4	-0,3
	11 : 00	EZ Retail sales (mom, %)	Mar	0,0	-0,1	0,4
7.	2 : 30	JP Nikkei Manufacturing PMI (points)	Apr	50,2	-	49,5
	8 : 00	DE Industrial orders (mom, %)	Mar	0,6	1,5	-4,2
	11 : 00	EZ EC's Economic Forecast	-	-	-	-
8.	8 : 00	DE Industrial production (mom, %)	Mar	0,5	-0,5	0,7
	9 : 00	HU Industrial production (preliminary, yoy, %)	Mar	8,0	6,1	5,9
	10 : 00	HU International reserves (preliminary, EURbn)	Apr	26,9	-	27,5
	13 : 30	EZ ECB Minutes	Apr	-	-	-
9.	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Mar	677,0	580,0	816
	9 : 00	HU Inflation (yoy, %)	Apr	3,9	4,0	3,7
	9 : 00	HU Core-inflation (yoy, %, SA)	Apr	3,8	3,8	3,8
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Apr	102,9	-	-209,3
	14 : 30	US Continuing jobless claims ('000s)	weekly	1684,0	1670	1671
	14 : 30	US Initial jobless claims ('000s)	weekly	228,0	220	230
	14 : 30	US Jerome Powell speech	-	-	-	-
10.	8 : 00	DE Export (mom, %)	Mar	1,5	-0,3	-1,3
	10 : 30	UK Industrial production (mom, %)	Mar		0,1	0,6
	10 : 30	UK GDP (preliminary, qoq, %)	Q1		0,5	0,2
	10 : 30	UK GDP (preliminary, yoy, %)	Q1		1,8	1,4
	14 : 30	US CPI (yoy, %)	Apr		2,1	1,9
	14 : 30	US CPI (mom, SA, %)	Apr		0,4	0,4
	14 : 30	US core-CPI (yoy, %)	Apr		2,1	2,0
	14 : 30	US core-CPI (mom, SA, %)	Apr		0,2	0,1
	20 : 00	US Federal budget balance (USDbn)	Apr		165	-147

Sources: Reuters, OTP Research

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This document was prepared on 10 May 2019.

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